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German Democratic Republic

FDD Abstract of []

1952 SUBSIDIES FOR PLANTS OF THE METALLURGICAL AND ORE-MINING INDUSTRY (3 pp; German; date

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This 3-page document is a [] of a memorandum submitted by the business department of the Ministry of Metallurgy and Ore Mining regarding the 1952 financial plan:

The 8th draft of the 1952 financial plan transmitted by the Ministry of Finance on 31 March 1952 provides for subsidies totaling 257,075,000 DM (production subsidies -- 219,110,000 DM, operating losses -- 26,800,000 DM, and subsidies for the director's fund -- 11,165,000 DM).

The Ministry of Metallurgy and Ore Mining requested a total of 380,708,000 DM (production subsidies -- 309,412,000 DM, operating losses -- 58,309,000 DM, and subsidies for the director's fund -- 12,987,000 DM).

The discrepancies between the estimates of the Ministry of Finance and those of the Ministry of Metallurgy and Ore Mining were the result of the differences in average 1951 cost figures upon which the estimates were based. The Ministry of Finance based its cost calculation on a cost figure of 137.1 [DM] for old enterprises, of 348.0 [DM] for new enterprises (Metallurgical Combine East, Metallurgical Combine West, and Sangerhausen Copper-Ore Plant) and an overall average cost figure of 152.2 [DM].

The document then goes on to explain individual instances of inaccurate cost figures used by the Ministry of Finance. For example, the Mansfeld Combine Wilhelm Pieck is ~~included~~ included among old enterprises (cost figure 137.1). Its actual cost figures will increase from 385.0 [DM] in 1951 to 539.0 [DM] in 1952.

According to the Ministry of Finance the average cost figure for the new enterprises is 348.0 [DM]. However, the average 1952 cost figure, ~~is~~ as follows:

Metallurgical Combine West -- 532 [DM], Sangerhausen Copper-Ore Plant -- 594 [DM], and Metallurgical Combine East -- 200 [DM].

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The document also provides more detailed figures for subsidies and indicates some of the reasons for the inaccurate estimates of the Ministry of Finance.

According ~~the~~ to the plan of the Ministry of Finance the cost per ton of pig iron at the Metallurgical Combine East was to be 163.20 DM. Actual costs per ton of pig iron ~~xxx~~ amounted to 499.45 DM in January 1952, and to 427.04 DM in ~~February~~ February 1952.

According to the plan of the Ministry of Finance the cost of one ton of pig iron at the Metallurgical Combine West was to be 455.94 DM. Actual January 1952 cost was 688.22 DM.

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[] Foreign language document or microfilm of it (A-9619) is available from CIA Library. []

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29 July 1952